

S. C. R. No. No. 47, Commending and offering encouragement and support to the Walter Prescott Webb Memorial Fund Committee.

S. B. No. 257, A bill to be entitled "An Act amending Sections 2 and 15(a), Chapter 86, Acts of the Fifty-fifth Legislature, Regular Session, 1957, which created North Central Texas Municipal Water Authority, to provide that the Authority shall contain all of the territory contained in the boundaries of the cities of Goree, Knox City and Munday in Knox County and the city of Haskell in Haskell County; etc.; and declaring an emergency."

S. B. No. 146, A bill to be entitled "An Act amending Part I of Article 3.39 of Chapter 3 of the Insurance Code, as amended, by adding to Subdivision A thereof a new Subsection 14a, authorizing life insurance companies to invest any funds and accumulations in remainder and/or life income interests in express trusts." (With amendment.)

Respectfully submitted,
DOROTHY HALLMAN,
Chief Clerk, House of Representatives

House Bill 137 on Second Reading

The President laid before the Senate as Unfinished Business H. B. No. 137 on its second reading and passage to third reading (the bill having been read second time on Wednesday, April 2, 1969.)

Question—Shall H. B. No. 137 as amended be passed to third reading?

Pending discussion by Senator Strong of the bill, Senator Word occupied the Chair.

Question—Shall H. B. No. 137 as amended be passed to third reading?

Memorial Resolutions

S. R. No. 469—By Senator Watson: Memorial resolution for Mrs. Dorothy Glenn Clements.

S. R. No. 470—By Senator Watson: Memorial resolution for Mrs. Judy Latham Crosswell.

S. R. No. 471—By Senator Watson: Memorial resolution for Miss Agnes Muhl.

S. R. No. 472—By Senator Watson: Memorial resolution for Mrs. Maud Pearl McBride.

S. R. No. 473—By Senator Watson: Memorial resolution for Mrs. A. O. (Marian) Oberlander.

Welcome and Congratulatory Resolutions

S. R. No. 466—By Senator Herring: Extending welcome to Mrs. Betsy Nehring and Vocational Office students of Round Rock.

S. R. 467—By Senators Moore and Herring: Extending congratulations to Monroe Hannes on his selection as East Texas Man of the Month.

S. R. No. 468—By Senator Herring: Extending greetings to the Texas Delegation to the National Convention of the Council for Exceptional Children.

S. R. No. 475—By Senator Hall: Extending welcome to Tom Ryan of Collin County.

S. R. No. 477—By Senator Herring: Extending welcome to sponsor and students of Ninth Grade Class of Murchison High School of Austin.

Adjournment

On motion of Senator Creighton the Senate at 12:05 o'clock p.m. adjourned until 10:00 o'clock a.m. tomorrow.

APPENDIX

Sent to Governor

April 10, 1969

S. B. No. 264

S. C. R. No. 59

FORTY-EIGHTH DAY

(Friday, April 11, 1969)

The Senate met at 10:00 o'clock a.m., pursuant to adjournment, and was called to order by Senator Aikin.

The roll was called and the following Senators were present:

Aikin	Bridges
Bates	Brooks
Bernal	Christie
Berry	Cole
Blanchard	Connally

Creighton	McKool
Grover	Moore
Hall	Patman
Harrington	Ratliff
Harris	Schwartz
Hazlewood	Snelson
Herring	Strong
Hightower	Watson
Kennard	Wilson
Mauzy	Word

Absent—Excused

Jordan

A quorum was announced present.

Reverend W. H. Townsend, Chaplain, offered the invocation

On motion of Senator Hightower, and by unanimous consent, the reading of the Journal of the proceedings of yesterday, was dispensed with and the Journal was approved.

Leave of Absence

Senator Jordan was granted leave of absence for today on account of important business on motion of Senator Brooks.

Message From the House

Hall of the House of Representatives
Austin, Texas,
April 11, 1969.

Hon. Ben Barnes, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following:

S. B. No. 327, A bill to be entitled "An Act repealing Chapter 60, Acts of the 52nd Legislature, Regular Session, 1951 (Article 4341a, Vernon's Texas Civil Statutes), relating to the requirement that a state agency or political subdivision of the state file with the Secretary of State a copy of each contract or agreement that it enters with the federal government."

S. B. No. 330, A bill to be entitled "An Act relating to the accounting of and responsibility for state property; etc.; and declaring an emergency."

S. B. No. 345, A bill to be entitled "An Act relating to retirement and pensions of firemen in certain cities; etc.; and declaring an emergency."

Respectfully submitted,

DOROTHY HALLMAN,
Chief Clerk, House of Representatives

Reports of Standing Committee

Senator Creighton submitted the following reports:

Austin, Texas,
April 11, 1969.

Hon. Ben Barnes, President of the Senate.

Sir: We, your Committee on Water and Conservation, to which was referred H. B. No. 179, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

CREIGHTON, Chairman.

Austin, Texas,
April 11, 1969.

Hon. Ben Barnes, President of the Senate.

Sir: We, your Committee on Water and Conservation, to which was referred S. B. No. 332, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

CREIGHTON, Chairman.

C. S. S. B. No. 332 was read the first time.

(President in the Chair.)

Senate Resolution 478

Senator Hightower offered the following resolution:

Whereas, It is the desire of the Senate to convey our sincere best wishes for the speedy recovery of Mrs. Margaret Behrens, the very efficient Secretary to Lt. Governor Ben Barnes; and

Whereas, Margaret Behrens now taking an unscheduled and uncomfortable vacation in the M. D. Anderson Hospital, is greatly missed, not only by Governor Barnes and his staff, but by the Senate and all Senate employees, who constantly rely on her for assistance; and

Whereas, Margaret Behrens has served her State faithfully and efficiently in many responsible places of service; having worked as Secretary to the Honorable Martin Dies when he was a Member of the Texas Senate, Secretary to Justice Tom Reavley, Secretary to the Honorable Price Daniel when he was Attorney

General, a Member of the United States Senate, and Governor of Texas, and she has been Secretary to Governor Ben Barnes since 1966; and

Whereas, During the next few weeks while the Senate and the office of the Lt. Governor continue to do their work, they will look forward to the early return of Margaret to her desk and to some work that might be kept waiting for her, and most of all, to the return of her pleasant smile, friendly voice and knowledgeable advice to Senators, Secretaries, Porters and Pages; now, therefore, be it.

Resolved, That the Senate of the 61st Legislature takes this means of expressing our sincere regret at the illness of Margaret Behrens and to wish her a speedy recovery and return to our midst.

HIGHTOWER HERRING

Signed: Lieutenant Governor Ben Barnes; Aikin, Bates, Bernal, Berry, Blanchard, Bridges, Brooks, Christie, Cole, Connally, Creighton, Grover, Hall, Harrington, Harris, Hazlewood, Jordan, Kennard, Mauzy, McKool, Moore, Patman, Ratliff, Schwartz, Snelson, Strong, Watson, Wilson and Word.

The resolution was read and was adopted.

On motion of Senator Connally, and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

Senate Bill 146 With House Amendment

Senator Moore called S. B. No. 146 from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the following House amendment before the Senate:

Committee Amendment No. 1

Amend S. B. 146 by substituting the following Subsections (a), (b), (c) and (d) in Section 1 thereof for those in the present Bill.

(a) Life income interest in an irrevocable express testamentary trust that has as the fee simple recipient of all the corpus of the trust one or more Texas public charities, Texas churches, Texas educational institu-

tions or Texas scientific institutions; provided each recipient is recognized by the Internal Revenue Service of the United States as exempt from payment of income taxes and provided further that (1) the corpus of any such trust is in whole or in part composed of interests in real estate, stocks, bonds, debentures and other securities of an aggregate total value of not less than \$5,000,000; and (2) the corpus of any such trust produces annual income of not less than \$100,000.

(b) No life insurance company's interest in any such trust shall exceed ten per cent (10%) of its admitted assets.

(c) Before such interest shall be acquired, satisfactory evidence shall be presented to the Commissioner of Insurance as follows:

(1) That the interest is subject to and recognized as transferrable,

(2) That the interest is capable of reasonable valuation,

(3) That a market for sale of such interest exists,

(4) That the life income interest is supported by life insurance in an amount not less than its admitted value and in form approved by the Commissioner of Insurance.

(d) In valuing such interest on its books, the life insurance company shall value the interest only on the basis of the lesser of, (1) the recognized market established in accordance with section (c) (3) above, or (2) the ratio that such fractional life income interest in the income of the trust bears to the total market value of the properties held by the trust that are of the type of property a life insurance company can lawfully acquire under the investment statutes of the State of Texas.

The House amendment was read.

Senator Moore moved that the Senate concur in the House amendments.

The motion prevailed by the following vote:

Yeas—23

Aikin	Christie
Bates	Cole
Bernal	Connally
Berry	Creighton
Brooks	Grover

Hall	McKool
Harrington	Moore
Harris	Snelson
Hazlewood	Strong
Herring	Watson
Hightower	Word
Mauzy	

Nays—2

Blanchard	Patman
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Present—Not Voting

Schwartz

Absent

Bridges	Ratliff
Kennard	Wilson

Absent—Excused

Jordan

Reason for Vote

I voted present and not voting on the motion to concur in House Amendment to S. B. 146 for the reason that I serve on several boards of directors of Life Insurance Companies which might present a conflict of interest with regard to a vote on the bill and its amendment. The bill originally passed the Senate on a Local and Uncontested Calendar with a large number of other pending bills and at that time I simply voted for all bills on that Calendar as is the custom.

SCHWARTZ

House Bill 729 Laid on Table
Subject to Call

On motion of Senator Cole and by unanimous consent H. B. No. 729 was Laid on the Table Subject to Call.

Senate Bill 427 Laid on Table
Subject to Call

On motion of Senator Brooks and by unanimous consent S. B. No. 427 was Laid on the Table Subject to Call.

Senate Bill 742 on First Reading

Senator Watson moved that Senate Rule 108 and Section 5 of Article III of the State Constitution be suspended to permit his introducing at this time, a bill, the provisions of which he explained.

The motion prevailed by the following vote:

Yeas—26

Aikin	Harris
Bates	Hazlewood
Bernal	Herring
Berry	Hightower
Blanchard	Mauzy
Brooks	McKool
Christie	Moore
Cole	Patman
Connally	Schwartz
Creighton	Snelson
Grover	Strong
Hall	Watson
Harrington	Word

Absent

Bridges	Ratliff
Kennard	Wilson

Absent—Excused

Jordan

The following bill was then introduced, read first time and held for referral to Committee:

By Senator Watson:

S. B. No. 742, A bill to be entitled "An Act to apportion the State of Texas into Congressional Districts, naming the counties and parts of counties composing the districts, providing for the election of a member of the Congress of the United States from each district; repealing Chapter 342, Acts of the 60th Legislature, Regular Session, 1967 (Article 197c, Vernon's Texas Civil Statutes); and declaring an emergency."

Bills and Resolutions Signed

The President signed in the presence of the Senate, after the captions had been read, the following bills and resolutions:

S. C. R. No. 47, Commending and offering encouragement and support to the Walter Prescott Webb Memorial Fund Committee.

S. C. R. No. 62, Commending Tony Moreno on his outstanding performance in the National Golden Gloves Tournament.

S. B. No. 150, A bill to be entitled "An Act to promote the health, safety, and welfare of the people by regulating the business of transporting, processing, or disposing of rendering raw material, and the bodies of dead animals, poultry, or any parts

thereof, by burying, burning, cooking, or processing; to provide penalties for violations; and declaring an emergency."

S. B. No. 165, A bill to be entitled "An Act to amend Article 2669, Revised Civil Statutes of 1925, as last amended in Chapter 389, Acts 57th Legislature, Regular Session, 1967, providing for flexibility in the investment of the Permanent School Fund to produce increased yield therefrom and for measures to prevent erosion of its principal through inflation; and declaring an emergency."

S. B. No. 261, A bill to be entitled "An Act creating an Advisory Council for Technical-Vocational Education to coordinate and develop programs for technical and vocational training in state educational institutions; and declaring an emergency."

**Motion to Place
Senate Bill 121 on Second Reading**

Senator Bernal asked unanimous consent to suspend the regular order of business and take up S. B. No. 121 for consideration at this time.

There was objection.

Senator Bernal then moved to suspend the regular order of business and take up S. B. No. 121 for consideration at this time.

The motion was lost by the following vote: (not receiving two-thirds vote of the Members present)

Yeas—17

Bernal	Mauzy
Berry	McKool
Brooks	Patman
Christie	Schwartz
Cole	Snelson
Hall	Strong
Harrington	Watson
Herring	Word
Hightower	

Nays—9

Aikin	Grover
Bates	Harris
Blanchard	Hazlewood
Connally	Moore
Creighton	

Absent

Bridges	Ratliff
Kennard	Wilson

Absent—Excused

Jordan

**Committee Substitute
Senate Bill 48 on Second Reading**

On motion of Senator Cole, and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

C. S. S. B. No. 48, A bill to be entitled "An Act amending, revising, and rearranging the Clean Air Act of Texas, 1967 (Article 4477-5, Vernon's Texas Civil Statutes) to improve the structure of the Act and to provide for more effective control of the quality of the air resources in this state; preserving the terms of office of current appointed board members; providing for severability; and declaring an emergency."

The bill was read second time.

Senator Watson offered the following amendment to the bill:

Amend C. S. S. B. 48 by striking out all of Section 2.06 and re-number the following sections.

The amendment was read and was adopted by the following vote:

Yeas—20

Bernal	Harris
Berry	Hazlewood
Blanchard	Hightower
Brooks	Kennard
Christie	McKool
Connally	Patman
Creighton	Schwartz
Grover	Strong
Hall	Watson
Harrington	Word

Nays—7

Aikin	Mauzy
Bates	Moore
Cole	Snelson
Herring	

Absent

Bridges	Wilson
Ratliff	

Absent—Excused

Jordan

Senator Schwartz offered the following amendment to the bill:

Amend the Committee Substitute for S. B. 48 by placing a period after the word "visibility" on page one in the last sentence thereof and eliminating the remainder of the sentence.

The amendment was read and was adopted.

On motion of Senator Cole, and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

**Committee Substitute
Senate Bill 48 on Third Reading**

Senator Cole moved that the Constitutional Rule and Senate Rule 30 requiring bills to be read on three several days be suspended and that C. S. S. B. No. 48 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—27

Aikin	Hazlewood
Bates	Herring
Bernal	Hightower
Berry	Kennard
Blanchard	Mauzy
Brooks	McKool
Christie	Moore
Cole	Patman
Connally	Schwartz
Creighton	Snelson
Grover	Strong
Hall	Watson
Harrington	Word
Harris	

Absent

Bridges	Wilson
Ratliff	

Absent—Excused

Jordan

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time.

Senator Watson offered the following amendment to the bill:

Amend S. B. 48 by striking out of Sub-Section 1 of Section 3.16 the following: "or personal Representative of the Member of the Board."

The amendment was read and was adopted by the following vote:

Yeas—27

Aikin	Hazlewood
Bates	Herring
Bernal	Hightower
Berry	Kennard
Blanchard	Mauzy
Brooks	McKool
Christie	Moore
Cole	Patman
Connally	Schwartz
Creighton	Snelson
Grover	Strong
Hall	Watson
Harrington	Word
Harris	

Absent

Bridges	Wilson
Ratliff	

Absent—Excused

Jordan

The bill as amended was then finally passed.

Senate Bill 503 on Second Reading

Senator Strong asked unanimous consent to suspend the regular order of business and take up S. B. No. 503 for consideration at this time.

There was objection.

Senator Strong then moved to suspend the regular order of business and take up S. B. No. 503 for consideration at this time.

The motion prevailed by the following vote:

Yeas—22

Aikin	Hazlewood
Bates	Herring
Bernal	Hightower
Berry	Kennard
Brooks	Mauzy
Christie	McKool
Cole	Patman
Connally	Snelson
Creighton	Strong
Grover	Wilson
Harrington	Word

Nays—5

Hall	Schwartz
Harris	Watson
Moore	

Absent

Blanchard	Ratliff
Bridges	

Absent—Excused

Jordan

The President laid before the Senate on its second reading and passage to engrossment:

S. B. No. 503, A bill to be entitled "An Act relating to and regulating relationships, direct and indirect, of officers, directors, associated corporations and certain shareholders of insurance companies; prohibiting an insurance company from acquiring certain interests in connection with loans; providing exemptions; requiring disclosure; providing method of enforcement; amending Article 3.67, Texas Insurance Code; and declaring an emergency."

The bill was read second time.

Senator Strong offered the following Committee Amendment to the bill:

Amend S. B. 503 by striking all below the enacting clause and substituting therefor the following:

"Section 1. Article 3.67 of the Insurance Code of Texas is amended to read as follows:

"Article 3.67. Prohibited Activities, Interests, and Relationships.

"(a) No director or officer or other person who is directly or indirectly the beneficial owner of more than ten (10%) per cent of any class of equity security of any insurance company transacting business in or organized under the laws of this State, or any corporation in which an officer or director or ten (10%) percent beneficial owner of an insurance company is directly or indirectly the beneficial owner of more than ten (10%) percent of any class of equity security of such corporation, shall receive any money or favorable thing for negotiating, procuring, recommending, or aiding in any purchase or sale by such insurance company of any property or any loan from such insurance company, or be pecuniarily interested, either as principal, co-principal, agent, or beneficiary, in any such purchase, sale or loan. Nothing in this Article shall prevent a life insurance company from making a loan upon a policy held therein, by the borrower, not in excess of the reserve value thereof. Nothing herein shall prevent transac-

tions between an insurance company and any other corporation if such other corporation is the beneficial owner of 100% of the stock of such insurance company, or if the insurance company is the beneficial owner of 100% of the stock of such other corporation or if the insurance company and such other corporation have common stockholders, except for qualifying shares of directors.

"(b) No insurance company transacting business in or organized under the laws of this State may, directly or through a wholly-owned subsidiary, impose or require as a condition of any financing or lending of money that any person or corporation shall convey to it any interest in real estate in Texas other than (i) a lien, assignment of rentals, mortgage, pledge, or other security interest, including the right to enforce the same by all legal means, or (ii) a percentage of gross or net receipts from said real estate (where such receipts are included as a part of the interest on the loan and such interest is within the maximum rate permitted under the laws of this State).

"(c) In the course of an examination of any insurance company, the Commissioner of Insurance, or the person appointed by him for the purpose of making such examination, may, insofar as the same pertains to transactions with such company, examine the books and records of: (i) any insurance company transacting business in or organized under the laws of this State; (ii) any corporation, association or person who is, directly or indirectly, the beneficial owner of more than ten (10%) percent of any class of equity security of such insurance company; and (iii) any wholly-owned subsidiary corporation of such insurance company.

"(d) The following transactions are specifically exempted from the operation of this Article: (1) Contracts of reinsurance between insurers; (2) the approval and payment of lawful dividends; (3) the issuance of stock and options to buy stock of an insurer, provided such transaction does not require or involve an insurer in the transfer of any assets of the insurer from its title, use and control; and (4) transactions which are approved by the Commissioner of Insurance after finding that they are not unfair to any equity security holder

or policy holder and that they do not adversely affect the solvency of the insurer.

"(e) This Article shall apply to and the words "insurer" and "insurance company" as used herein shall include and mean capital stock companies, reciprocal or inter-insurance exchanges, Lloyd's companies, fraternal benefit societies, mutual and mutual assessment associations, local mutual aids, burial associations, county and farm mutual associations, fidelity, guaranty and surety companies, trust companies organized under the provisions of Chapter 7 of this Code, mutual life insurance companies, mutual insurance companies other than life, title insurance companies, and all other insurers transacting an insurance business in this State.

"Section 2. The importance of this legislation and the crowded condition of the calendars in both Houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each House be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted."

The Committee Amendment was read.

Senator Strong offered the following substitute for the pending Committee Amendment to the bill:

Amend S. B. 503 by striking all below the enacting clause and substituting therefor the following:

"Section 1. Article 3.67 of the Insurance Code of Texas is amended to read as follows:

"Article 3.67 Prohibited Activities, Interests, and Relationships.

"(a) No director or officer or other person who is directly or indirectly the beneficial owner of more than ten (10%) percent of any class of equity security of any insurance company transacting business in or organized under the laws of this state, or any corporation in which an officer or director or ten (10%) percent beneficial owner of an insurance company is directly or indirectly the beneficial owner of more than ten (10%) percent of any class of equity security of such corporation, shall receive any money or favorable thing for negotiating, procuring, recom-

mending, or aiding in any purchase or sale by such insurance company of any property or any loan from such insurance company, or be pecuniarily interested, either as principal, co-principal, agent, or beneficiary, in any such purchase, sale or loan. Nothing in this Article shall prevent a life insurance company from making a loan upon a policy held therein, by the borrower, not in excess of the reserve value thereof. Nothing herein shall prevent transactions between an insurance company and any other corporation if such other corporation is the beneficial owner of 100% of the stock of such insurance company or if the insurance company and such other corporation have common stockholders, except for qualifying shares of directors.

"(b) No insurance company transacting business in or organized under the laws of this State may, directly or through a subsidiary, impose or require as a condition of any financing or lending of money that any person or corporation shall convey to it an interest in any business or corporation or any interest in real estate in Texas other than (i) a lien, assignment of rentals, mortgage, pledge, or other security interest, including the right to enforce the same by all legal means, or (ii) a percentage of gross or net receipts from said real estate (where such receipts are included as a part of the interest on the loan and such interest shall not exceed 10% per annum on the unpaid balance), or (iii) real estate on which the loan granted is not less than \$2,000,000. Any real estate acquired by virtue of this exception shall be included in calculating income-producing properties under Article 3.40 Section 1. subsection (2) of the Insurance Code of Texas.

"(c) In the course of an examination of any insurance company, the Commissioner of Insurance, or the person appointed by him for the purpose of making such examination, may, insofar as the same pertains to transactions with such company, examine the books and records of: (i) any insurance company transacting business in or organized under the laws of this State; (ii) any corporation, association or person who is, directly or indirectly, the beneficial owner of more than ten (10%) percent of any class of equity security of such insurance company; and (iii) any wholly-owned subsidi-

any corporation of such insurance company.

"(d) The following transactions are specifically exempted from the operation of this Article: (1) Contracts of reinsurance between insurers; (2) the approval and payment of lawful dividends; (3) the issuance of stock and options to buy stock of an insurer, provided such transaction does not require or involve an insurer in the transfer of any assets of the insurer from its title, use and control; and (4) transactions which are approved by the Commissioner of Insurance after finding that they are not unfair to any equity security holder or policy holder and that they do not adversely affect the solvency of the insurer.

"(e) This Article shall apply to and the words "insurer" and "insurance company" as used herein shall include and mean capital stock companies, reciprocal or inter-insurance exchanges, Lloyd's companies, fraternal benefit societies, mutual and mutual assessment associations, local mutual aids, burial associations, county and farm mutual associations, fidelity, guaranty and surety companies, trust companies organized under the provisions of Chapter 7 of this Code, mutual life insurance companies, mutual insurance companies other than life, title insurance companies, and all other insurers transacting an insurance business in this State.

"Section 2. The importance of this legislation and the crowded condition of the calendars in both Houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each House be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted."

The substitute for the pending Committee Amendment was read.

Senator Hall offered the following amendment to the pending substitute for the pending Committee Amendment to the bill:

Amend floor substitute amendment Section 1 of Senate Bill 503 by deleting the period at the end of subparagraph (b) and substituting therefor the following: "or (iii) an interest not otherwise prohibited by law acquired by purchase for value in a negotiated transaction."

The amendment to the pending substitute for the pending Committee Amendment was read and failed of adoption by the following vote:

Yeas—9

Bates	Moore
Berry	Ratliff
Connally	Watson
Hall	Word
Harris	

Nays—21

Aikin	Herring
Bernal	Hightower
Blanchard	Kennard
Bridges	Mauzy
Brooks	McKool
Christie	Patman
Cole	Schwartz
Creighton	Snelson
Grover	Strong
Harrington	Wilson
Hazlewood	

Absent—Excused

Jordan

Question—Shall the substitute for the pending Committee Amendment to S. B. No. 503 be adopted?

Executive Session

At 11:00 o'clock a.m., Senator Word announced that the time had arrived for an Executive Session (he having given Notice on yesterday).

Accordingly, the President directed all those not entitled to attend the Executive Session of the Senate to retire from the Senate Chamber and instructed the Sergeant-at-Arms to close all doors leading from the Chamber.

At the conclusion of the Executive Session the Secretary of the Senate informed the Journal Clerk that the Senate had confirmed the following nominations of the Governor:

To be District Attorney of the 64th Judicial District: To fill the unexpired term of Frank Stovall, Plainview, who resigned effective March 1, 1969: Tom Hamilton, Plainview, Hale County.

The confirmation by the Senate to be effective March 1, 1969.

To be a Member of the State Board of Medical Examiners: To fill the unexpired term of L. H. Denman, M.D., Lufkin, deceased, term to ex-

pire April 13, 1971: Dr. Albert B. Spires, Jr., Taylor, Williamson County.

To be Associate Justice of the Court of Civil Appeals for the 9th Supreme Judicial District: To fill the unexpired term of James F. Parker, resigned: Quentin Keith, Beaumont, Jefferson County.

In Legislative Session

The President called the Senate to order as In Legislative Session at 11:45 o'clock a.m.

Senate Bill 503 on Second Reading

The Senate resumed the consideration of the pending business, same being S. B. No. 503 on its second reading and passage to engrossment.

Question—Shall the substitute for the pending Committee Amendment be adopted?

Senator Hall offered the following amendment to the substitute by Senator Strong to the pending Committee Amendment to the bill:

Amend floor substitute amendment to S. B. 503 Sec. 1 subsection by page 2 by deleting the figures "\$2,000,000" and substituting in lieu thereof "\$500,000"

The amendment was read.

Senator Strong moved to table the amendment the pending Committee Amendment.

The motion to table prevailed by the following vote:

Yeas—22

Aikin	Grover
Bates	Harrington
Bernal	Hazlewood
Berry	Herring
Blanchard	Hightower
Bridges	Kennard
Brooks	Mauzy
Christie	Patman
Cole	Schwartz
Connally	Snelson
Creighton	Strong

Nays—8

Hall	Ratliff
Harris	Watson
McKool	Wilson
Moore	Word

Absent—Excused

Jordan

(Senator Aikin in the Chair.)

The substitute by Senator Strong to the pending Committee Amendment was then adopted.

Record of Votes

Senators Hall, Moore and Watson asked to be recorded as voting "Nay" on the adoption of the substitute by Senate Strong.

The Committee Amendment as substituted was then adopted.

On motion of Senator Strong, and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

Record of Votes

Senators Hall, Watson and Harris asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

(President in the Chair.)

Senate Bill 503 on Third Reading

Senator Strong moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that S. B. No. 503 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—26

Aikin	Herring
Bates	Hightower
Bernal	Kennard
Berry	Mauzy
Blanchard	McKool
Bridges	Patman
Brooks	Ratliff
Christie	Schwartz
Cole	Snelson
Connally	Strong
Creighton	Watson
Grover	Wilson
Harrington	Word

Nays—3

Hall	Moore
Harris	

Absent

Hazlewood

Absent—Excused

Jordan

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

Record of Votes

Senators Moore, Harris, Watson Ratliff asked to be recorded as voting "Nay" on the final passage of the bill.

Senate Bill 632 on Second Reading

On motion of Senator Moore, and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S. B. No. 632, A bill to be entitled "An Act authorizing the Texas Board of Corrections to convey fee simple title to the surface estate in certain state-owned land held for the use of the State Department of Corrections to certain parties in exchange for certain other land; and declaring an emergency."

The bill was read second time and passed to engrossment.

Senate Bill 632 on Third Reading

Senator Moore moved that the Constitutional Rule and Senate Rule 30 requiring bills to be read on three several days be suspended and that S. B. No. 632 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—30

Aikin	Hazlewood
Bates	Herring
Bernal	Hightower
Berry	Kennard
Blanchard	Mauzy
Bridges	McKool
Brooks	Moore
Christie	Patman
Cole	Ratliff
Connally	Schwartz
Creighton	Snelson
Grover	Strong
Hall	Watson
Harrington	Wilson
Harris	Word

Absent—Excused

Jordan

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—30

Aikin	Hazlewood
Bates	Herring
Bernal	Hightower
Berry	Kennard
Blanchard	Mauzy
Bridges	McKool
Brooks	Moore
Christie	Patman
Cole	Ratliff
Connally	Schwartz
Creighton	Snelson
Grover	Strong
Hall	Watson
Harrington	Wilson
Harris	Word

Absent—Excused

Jordan

(Senator Creighton in the Chair.)

Senate Bill 542 on Second Reading

On motion of Senator Moore, and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S. B. No. 542, A bill to be entitled "An Act amending Chapter 518, Acts of the 54th Legislature, Regular Session, 1955, codified as Article 8280-188 of Vernon's Annotated Civil Statutes of the State of Texas, by addition thereto of a new section to be designated as Section 5a, authorizing the Board of Directors of the Trinity River Authority of Texas to promulgate and enforce regulations relative to the use and protection of lands and easements owned by the Authority; etc.; and declaring an emergency."

The bill was read the second time.

Senator Moore offered the following Committee Amendment to the bill:

Amend Section 1 of Senate Bill 542 by striking subsection (a) from Section 5a of Chapter 518, Acts of the 54th Legislature, as therein proposed to be amended, and substituting in lieu thereof the following:

"(a) The Board of Directors of the Authority shall have the power to

adopt and promulgate all reasonable regulations to regulate residence, hunting, fishing, boating, camping and all recreational and business privileges on all lands and easements owned by the Authority and to protect the property of the Authority; provided, however, that such regulations shall not include any provisions for the collection of fees or the requirements of permits and/or licenses for boat inspections, non-commercial fishing, the use on lakes owned by the Authority of boats operated for non-commercial purposes, and hunting except for the use of duck blinds constructed, operated and maintained by the Authority.

The Committee Amendment was read and was adopted.

On motion of Senator Moore, and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

Senate Bill 542 on Third Reading

Senator Moore moved that the Constitutional Rule and Senate Rule 30 requiring bills to be read on three several days be suspended and that S. B. No. 542 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—30

Aikin	Hazlewood
Bates	Herring
Bernal	Hightower
Berry	Kennard
Blanchard	Mauzy
Bridges	McKool
Brooks	Moore
Christie	Patman
Cole	Ratliff
Connally	Schwartz
Creighton	Snelson
Grover	Strong
Hall	Watson
Harrington	Wilson
Harris	Word

Absent—Excused

Jordan

The Presiding Officer then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

(President in the Chair.)

Senate Bill 121 on Second Reading

Senator Bernal moved to suspend the regular order of business and take up S. B. No. 121 for consideration at this time.

The motion prevailed by the following vote:

Yeas—21

Bates	Kennard
Bernal	Mauzy
Berry	McKool
Bridges	Patman
Brooks	Schwartz
Christie	Snelson
Cole	Strong
Hall	Watson
Harrington	Wilson
Herring	Word
Hightower	

Nays—9

Aikin	Harris
Blanchard	Hazlewood
Connally	Moore
Creighton	Ratliff
Grover	

Absent—Excused

Jordan

The President laid before the Senate on its second reading and passage to engrossment:

S. B. No. 121, A bill to be entitled "An Act relating to the establishment and operation of a minimum wage; providing a penalty; and declaring an emergency."

The bill was read the second time.

Senator Bernal offered to following Committee Amendment to the bill:

Amend Senate Bill No. 121 by striking Section 7 and substituting the following:

"Sec. 7. Piece Rate Workers. (a) Any person employed as a piece rate worker in agriculture is entitled to receive not less than the amount set in the scale for piece rate work under Subsection (b) of this section.

"(b) The commissioner of agriculture shall determine a piece rate scale equivalent to the prevailing wage for

other agricultural workers as provided under Section 6(a) of this Act. The director shall collect and furnish to the commissioner of agriculture sufficient data to serve as a basis for establishing a piece rate scale, and the first piece rate scale determination must be made before February 1, 1970.

"(c) The piece rate scale shall be equivalent to the minimum hourly wage in that when the payment by unit of production is applied to a worker of average ability and diligence in harvesting a particular commodity he shall receive an amount not less than the hourly minimum wage.

"(d) After a piece rate scale is established, it shall be filed in the main office of the commissioner of agriculture in Austin, Texas, and shall be available for public inspection. The commissioner of agriculture shall make copies of the piece rate scale available to anyone on request and may charge a reasonable amount to cover the cost of printing and distribution.

"(e) At any time that data readily available to the director indicates a change in conditions, the commissioner of agriculture shall consider whether or not to set a new piece rate scale under Subsection (b) of this section. The commissioner of agriculture shall reconsider the established piece rate scale at least once a year to determine whether or not a new scale is needed.

"(f) The provisions of this section apply to contract labor as well as to any person directly employed by any owner, operator, or manager of a farm.

"(g) In case of emergency caused by flood, hurricane, or other natural calamity or disaster or by any occurrence that may result in the excessive loss of agricultural products declared by the governor or the president of the United States in an official proclamation, the piece rate scale shall be suspended for not more than 30 days in the area defined in the official proclamation."

The Committee Amendment was read and was adopted.

Senator Bernal offered the following Committee Amendment to the bill:

Amend Senate Bill 121 by striking Sections 9 and 10 and substituting the following:

"Sec. 9. Special Provisions for the Handicapped. (a) In order to prevent curtailment of opportunities for employment, any person whose earning or productive capacity is impaired by age, physical or mental deficiency, or injury may be employed at wages lower than the minimum wage applicable under this Act, but not less than 60 percent of the minimum wage.

"(b) An employer employing a person mentioned in sub-section (a) of this section at a wage lower than the applicable minimum wage under this Act shall not be relieved of liability under Section 13, unless, prior to the employment of the person, the employer secures a medical certificate signed by a physician licensed to practice medicine in this state by the State Board of Medical Examiners, certifying that because of age, physical or mental deficiency, or injury the productive or earning capacity of the person is materially impaired.

"(c) The medical certificate shall be retained by the employer during the period of employment of the person and for two years after the employment is terminated. The statement of earnings given to the person by the employer, as required by Section 11, shall include the words 'medical certificate.'

"Sec. 10. Sheltered Workshops. Non-profit charitable organizations engaged in evaluation, training, and employment services for handicapped clients which are in compliance with Federal regulations covering such activities will be considered in compliance with the state law."

The Committee Amendment was read and was adopted.

Senator Bernal offered the following Committee Amendment to the bill:

Amend Senate Bill No. 121 to renumber Sections 15 through 17 and insert a new Section 15 to read as follows:

"Sec. 15. Dissemination of Information. The bureau of labor statistics shall disseminate information to the public regarding the provisions of this Act to the end that both employers and employees in this state will be fully aware of their respec-

tive rights and responsibilities, the exemptions specified, and the penalties and liabilities which may be incurred for violations of the provisions of this Act."

The Committee Amendment was read and was adopted.

Senator Bernal offered the following Committee Amendment to the bill:

Section 4, subsection (b) of Senate Bill 121 is amended by adding a new paragraph "(10)" immediately following paragraph (9) as follows:

"(10) any handicapped student who is twenty-one (21) years of age or under who is a client of vocational rehabilitation and is participating in the cooperative school-work rehabilitation training program."

The Committee Amendment was read.

Senator Hightower offered the following amendment to the pending Committee Amendment:

Amend S. B. 121, Section 4, Subparagraph 10, by deleting the word "student" and inserting the word "person" in lieu thereof.

The amendment to the Committee Amendment was read and was adopted.

The Committee Amendment as amended was then adopted.

Senator Hightower offered the following amendment to the bill:

Amend S. B. 121, Section 4, by adding the following subsection:

"(11) any person engaged in agriculture except piece rate workers as hereinafter set forth in Section 6."

The amendment was read.

Senator Bernal moved to table the amendment.

Question on the motion to table, "Yeas" and "Nays" were demanded.

The motion to table was lost by the following vote:

Yeas—13

Bates	Bridges
Bernal	Brooks

Christie	McKool
Cole	Schwartz
Harrington	Strong
Kennard	Wilson
Mauzy	

Nays—16

Aikin	Herring
Blanchard	Hightower
Connally	Moore
Creighton	Patman
Grover	Ratliff
Hall	Snelson
Harris	Watson
Hazlewood	Word

Absent

Berry

Absent—Excused

Jordan

Question on the adoption of the amendment, "Yeas" and "Nays" were demanded.

The amendment was adopted by the following vote:

Yeas—16

Aikin	Herring
Blanchard	Hightower
Connally	Moore
Creighton	Patman
Grover	Ratliff
Hall	Snelson
Harris	Watson
Hazlewood	Word

Nays—13

Bates	Kennard
Bernal	Mauzy
Bridges	McKool
Brooks	Schwartz
Christie	Strong
Cole	Wilson
Harrington	

Absent

Berry

Absent—Excused

Jordan

Senator Hightower offered the following amendment to the bill:

Amend S. B. 121, Section 4, Subparagraph (9), by deleting the words "parent-in-law" and substituting in lieu thereof the following: "guardian, or person in loco parentis."

The amendment was read and was adopted.

Senator Hightower offered the following amendment to the bill:

Amend S. B. 121, Section 9, Subparagraph (b) by inserting the following after the word "person" on the fourth line of such subparagraph: "or within 90 days after the effective date of this Act,"

The amendment was read and was adopted.

Senator Brooks offered the following amendment to the bill:

Amend Section 8 of S. B. 121 by striking all of Section 8 and substituting the following:

"Sec. 8. Agricultural Exemption. The provisions of Sections 5, 6 and 7 shall not apply to any agricultural employer who during any calendar quarter during the preceding calendar year used less than 250 man-days of agriculture labor."

The amendment was read and was adopted.

Senator Herring offered the following amendment to the bill:

Amend Section 3(i) of Senate Bill 121 by striking the words "not less than one hour" and inserting in lieu thereof the words "not less than four hours."

The amendment was read.

Senator Bernal moved to table the amendment.

Question on the motion to table, "Yeas" and "Nays" were demanded.

The motion to table was lost by the following vote:

Yeas—10

Bates	Harrington
Bernal	Kennard
Bridges	Mauzy
Christie	McKool
Cole	Schwartz

Nays—19

Aikin	Creighton
Blanchard	Grover
Brooks	Hall
Connally	Harris

Hazlewood	Snelson
Herring	Strong
Hightower	Watson
Moore	Wilson
Patman	Word
Ratliff	

Absent

Berry

Absent—Excused

Jordan

The amendment was then adopted.

Senator Watson offered the following amendment to the bill:

Amend Senate Bill 121 as follows:

1. Add a new Subsection to Section 3 to read as follows:

(m) "Retail or service establishment" means an establishment 75 percent of whose annual dollar volume of sales of goods, services, or both are not for resale or are recognized as retail sales or services in the particular industry.

2. Add a new Subdivision to Subsection (b) of Section 4 to read as follows:

(12) any person employed by any retail or service establishment in which more than 50 percent of the establishment's annual dollar volume of sales of goods or services are made within the state or the establishment has an annual dollar volume of sales which is less than \$250,000 exclusive of excise taxes at the retail level which are separately stated.

The amendment was read.

Senator Bernal moved to table the amendment.

Question on the motion to table, "Yeas" and "Nays" were demanded.

The motion to table prevailed by the following vote:

Yeas—17

Bates	Hightower
Bernal	Kennard
Bridges	Mauzy
Brooks	McKool
Christie	Schwartz
Cole	Snelson
Hall	Strong
Harrington	Wilson
Herring	

Nays—12

Aikin	Hazlewood
Blanchard	Moore
Connally	Patman
Creighton	Ratliff
Grover	Watson
Harris	Word

Absent

Berry

Absent—Excused

Jordan

Senator Strong offered the following amendment to the bill:

Amend Section 5 of S. B. No. 121 to add a new Subsection (d) to read as follows:

"(d) No employer who has an employee that lives on the premises of a business and is assigned certain working hours plus additional hours when the employee will be subject to call shall be required to pay the employee for more than the number of hours the employee actually worked or was on duty because of assigned working hours."

The amendment was read and was adopted.

Senator Strong offered the following amendment to the bill:

Amend Subdivision (6), Subsection (b), Section 4 of S. B. No. 121 by striking the semicolon following the word "home" and adding the following:

"including any person who lives in or about the private home and furnishes personal care for any resident of the home;"

The amendment was read and was adopted.

On motion of Senator Bernal, and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

Record of Vote

Senator Watson asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

Memorial Resolutions

S. R. No. 482—By Senator Watson: Memorial resolution for Jimmy Fox.

S. R. No. 483—By Senator Watson: Memorial resolution for William Bradford.

S. R. No. 484—By Senator Watson: Memorial resolution for Alva A. Barnard.

S. R. No. 485—By Senator Watson: Memorial resolution for William G. Ivy.

S. R. No. 486—By Senator Watson: Memorial resolution for Frank Pack.

S. R. No. 487—By Senator Christie: Memorial resolution for Frank Barron Fletcher, Sr.

Welcome and Congratulatory Resolutions

S. R. No. 479—By Senator Brooks: Extending congratulations to Dr. and Mrs. Carl Burney on their nomination as Texas "Teacher of the Year." (Amended.)

S. R. No. 480—By Senator Herring: Extending welcome to teacher and students of Walter Prescott Webb Junior High School of Austin.

S. R. No. 481—By Senator Watson: Extending welcome to students of eighth grade of Crawford High School.

S. R. No. 488—By Senator Brooks: Extending welcome to teacher and students of Cooley Elementary School.

S. R. No. 489—By Senator Brooks: Extending welcome to teacher and sponsor and students of Queen of Peace School of Houston.

Adjournment

On motion of Senator Aikin the Senate at 12:59 o'clock p.m. adjourned until 11:00 o'clock a.m., Monday, April 14, 1969.

FORTY-NINTH DAY

(Monday, April 14, 1969)

The Senate met at 11:00 o'clock a.m., pursuant to adjournment, and was called to order by the President.